

AMENDED IN ASSEMBLY MAY 6, 1997

AMENDED IN ASSEMBLY MAY 1, 1997

AMENDED IN ASSEMBLY APRIL 17, 1997

AMENDED IN ASSEMBLY APRIL 1, 1997

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

ASSEMBLY BILL

No. 1150

Introduced by Assembly Members Prenter and Ashburn

February 28, 1997

An act to add Chapter 1.5 (commencing with Section 101540) to Part 4 of Division 101 of the Health and Safety Code, relating to human services.

LEGISLATIVE COUNSEL'S DIGEST

AB 1150, as amended, Prenter. Health facilities.

Existing law requires every county to relieve and support all incompetent, poor, indigent persons, and those incapacitated by age, disease, or accident, lawfully resident therein, and authorizes the board of supervisors of the county to adopt standards of aid and care for the indigent and dependent poor.

Existing law authorizes the board of supervisors in each county to establish and maintain a county hospital, prescribe rules for the government and management thereof, and to appoint a county physician and other necessary officers and employees thereof.

This bill would authorize the Board of Supervisors of the County of Kern to, by ordinance, establish the Kern County Hospital Authority to manage, administer, and control the Kern Medical Center, and to receive state funds and technical assistance for the purpose of managing the health care delivery program for indigent persons and Medi-Cal recipients.

~~This bill would require the State Department of Health Services to allocate funds for these purposes to the Kern County Hospital Authority.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~yes~~ *no*. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 1.5 (commencing with Section
2 101540) is added to Part 4 of Division 101 of the Health
3 and Safety Code, to read:

4

5 CHAPTER 1.5. KERN COUNTY HOSPITAL AUTHORITY

6

7 101540. (a) The Legislature finds and declares that it
8 is necessary that a special authority be established in Kern
9 County in order to meet the problems of the delivery of
10 publicly assisted and indigent health care in the county.
11 Because there is no general law under which this
12 authority could be formed, the adoption of a special act
13 and the formation of a special authority is required.

14 (b) (1) The Board of Supervisors of Kern County
15 may, by ordinance, establish the Kern County Hospital
16 Authority. The mission of the hospital authority shall be
17 the management, administration, and other control of the
18 Kern Medical Center, as determined by the board of
19 supervisors, in a manner consistent with the county's
20 obligations under Section 17000 of the Welfare and
21 Institutions Code, and, to the extent possible, other
22 populations. The enabling ordinance shall specify the
23 membership of the authority, the qualifications of
24 members, the manner of appointment, selection, or
25 removal of members, and their term of office, and any



1 other matters that the board of supervisors deems
2 necessary or convenient for the conduct of the authority's
3 activities. The authority so established shall be considered
4 an entity separate from the county, shall file the
5 statement required by Section 53051 of the Government
6 Code, and shall have the rights, powers, duties, privileges
7 conferred by this chapter, the power to acquire, possess,
8 and dispose of real or personal property, as may be
9 necessary for the performance of its functions, to employ
10 personnel and contract for services required to meet its
11 obligations, and to sue or be sued. Any obligations of the
12 authority, statutory, contractual, or otherwise, shall be
13 the obligations solely of the authority and shall not be the
14 obligations of the county or of the state unless expressly
15 provided for in a contract or grant agreement between
16 the authority and the county or the state.

17 (2) Nothing in this chapter shall relieve a county of its
18 indigent health care obligations under Section 17000 of
19 the Welfare and Institutions Code.

20 (c) In the event of a change of license ownership, the
21 governing board shall comply with the obligations of
22 governing bodies of general acute care hospitals
23 generally set forth in Section 70701 of Title 22 of the
24 California Code of Regulations, and any successor
25 provisions, including, but not limited to, the terms and
26 conditions of the license. The hospital authority shall be
27 the responsible party with respect to compliance with
28 those obligations, terms, and conditions.

29 (d) (1) Any transfer by the county to the hospital
30 authority of the administration, management, and other
31 control of the medical center, whether or not the transfer
32 includes the surrendering by the county of the existing
33 hospital license of the medical center and corresponding
34 application for a license to be issued to the health
35 authority, shall not affect the eligibility of the county, or
36 in the case of a change of license ownership, the hospital
37 authority, to do any of the following:

38 (A) Participate in, and receive allocations pursuant to,
39 the California Healthcare for the Indigents Program
40 (CHIP).

1 (B) Receive supplemental payments from the
2 Emergency Services and Supplemental Payments Fund
3 created pursuant to Section 14085.6 of the Welfare and
4 Institutions Code.

5 (C) Receive payments from the Medi-Cal Inpatient
6 Payment Adjustment Fund. Creation of a hospital
7 authority under this section shall not relieve the county
8 of its obligation to make intergovernmental transfer
9 payments related to the Medi-Cal Inpatient Payment
10 Adjustment Fund pursuant to Section 14163 of the
11 Welfare and Institutions Code.

12 (D) Receive Medi-Cal payments pursuant to Section
13 14085.5 of the Welfare and Institutions Code.

14 (E) Receive any other funds that would otherwise be
15 available to a county hospital.

16 (2) Any transfer described in paragraph (1) shall not
17 otherwise disqualify the county, or in the case of a change
18 of ownership, the hospital authority, from participating in
19 any of the following:

20 (A) Other funding sources, either specific to county
21 hospitals or county ambulatory care clinics, or for which
22 there are special provisions specific to county hospitals or
23 to county ambulatory care clinics.

24 (B) Funding programs in which the county, on behalf
25 of the medical center or any other agency or department
26 of the county, had participated prior to the creation of the
27 hospital authority, or would otherwise be qualified to
28 participate in had the hospital authority not been created,
29 and administration, management, and control had not
30 been transferred by the county to the hospital authority
31 pursuant to this chapter.

32 (3) The county shall establish baseline data reporting
33 requirements for the medical center consistent with the
34 Medically Indigent Health Care Reporting System
35 program established pursuant to Section 16910 of the
36 Welfare and Institutions Code and other measures
37 necessary to adequately measure levels of service and
38 shall collect that data for at least one year prior to the final
39 transfer of the medical center to the hospital authority
40 established pursuant to this chapter. From the date of

1 transfer of the medical center to the hospital authority,
2 the hospital authority shall provide the county with
3 quarterly reports consistent with Medically Indigent
4 Health Care Reporting System program requirements
5 and any other data requested by the county.

6 (4) Notwithstanding the provisions of this section
7 relating to the obligations and liabilities of the hospital
8 authority, a transfer of control or ownership of the
9 medical center shall confer onto the hospital authority all
10 the rights and duties set forth in state law with respect to
11 hospitals owned or operated by a county.

12 (e) The hospital authority created pursuant to this
13 section may borrow from the county and the county may
14 lend the hospital authority funds or issue revenue
15 anticipation notes to obtain those funds necessary to
16 operate the medical center and otherwise provide
17 medical services.

18 (f) The hospital authority shall not be a “person”
19 subject to suit under the Cartwright Act (Chapter 2
20 (commencing with Section 16700) of Part 2 of Division 7
21 of the Business and Professions Code).

22 (g) The records of the hospital authority, whether
23 paper records, records maintained in the management
24 information system, or records in any other form, that
25 relate to trade secrets as defined in subdivision (d) of
26 Section 3426.1 of the Civil Code, or to payment rates or
27 the determination thereof, or that relate to contract
28 negotiations with providers of health care, shall not be
29 subject to disclosure pursuant to the California Public
30 Records Act (Chapter 5 (commencing with Section 6250)
31 of Division 7 of Title 1 of the Government Code). The
32 transmission of the records, or the information contained
33 therein in an alternative form, to the board of supervisors
34 or its authorized agents shall not constitute a waiver of
35 exemption from disclosure, and the records and
36 information once transmitted shall be subject to this same
37 exemption. The information, if compelled pursuant to an
38 order of a court of competent jurisdiction or
39 administrative body in a manner permitted by law, shall
40 be limited to in-camera review, and, in the discretion of

1 the court, may include the parties to the proceeding, and
2 shall not be made a part of the court file unless sealed.

3 (h) Notwithstanding any other provision of law, the
4 governing board may order that a meeting held solely for
5 the purpose of discussion or taking action on hospital
6 authority trade secrets, as defined in subdivision (d) of
7 Section 3426.1 of the Civil Code, shall be held in closed
8 session. The requirements of making a public report of
9 actions taken in closed session and the vote or abstention
10 of every member present may be limited to a brief
11 general description devoid of the information
12 constituting the trade secret.

13 (i) The hospital authority shall be a public agency for
14 purposes of eligibility with respect to grants and other
15 funding and loan guarantee programs.

16 (j) Contracts by and between the hospital authority
17 and the state and contracts by and between the hospital
18 authority and providers of health care, goods, or services
19 may be let on a nonbid basis, and shall be exempt from
20 Chapter 2 (commencing with Section 10290) of Part 2 of
21 Division 2 of the Public Contract Code.

22 (k) Provisions of the Evidence Code, the Government
23 Code, including the Public Records Act (Chapter 5
24 (commencing with Section 6250) of Division 7 of Title 1
25 of the Government Code), the Civil Code, the Business
26 and Professions Code, and other applicable law
27 pertaining to the confidentiality of peer review activities
28 of peer review bodies shall apply to the peer review
29 activities of the hospital authority.

30 (l) Notwithstanding any other provision of law,
31 Section 1461 shall apply to hearings on the reports of the
32 medical center's medical audit or quality assurance
33 committees.

34 (m) In the event the authority no longer functions for
35 the purposes for which it was established, the board of
36 supervisors may, by ordinance, terminate the authority at
37 that time as the authority's then existing obligations have
38 been satisfied or the authority's assets have been
39 exhausted. Prior to the termination of the authority, the
40 board of supervisors shall notify the department of its

1 intent to terminate the authority and shall provide the
2 department with an accounting of the assets and
3 liabilities of the authority.

4 (n) Any assets of the authority shall be disposed of
5 pursuant to provisions contained in the grant agreement
6 entered into between the county or the state and the
7 authority pursuant to this chapter.

8 (o) Notwithstanding any of the provisions of this
9 chapter, the department may not enter into any
10 arrangement with the authority to provide case
11 management or fiscal intermediary services for health
12 care provided to Medi-Cal recipients.

13 (p) The hospital authority shall be a public agency
14 subject to the Meyers-Millias-Brown Act (Chapter 10
15 (commencing with Section 3500) of Division 4 of Title 1
16 of the Government Code).

17 (q) Any transfer of functions from county employee
18 classifications to a hospital authority established pursuant
19 to this section shall result in the recognition by the
20 hospital authority of the employee organization that
21 represented the classifications performing those
22 functions at the time of the transfer.

23 (r) In exercising its powers to employ personnel, the
24 board of supervisors shall adopt, and the authority and the
25 board of supervisors shall implement, a personnel
26 transition plan. The personnel transition plan shall
27 require all of the following:

28 (1) Ongoing communications to employees and
29 recognized employee organizations regarding the
30 impact of the transition on existing medical center
31 employees and employee classifications.

32 (2) Meeting and conferring on all of the following
33 issues:

34 (A) The timeframe for which the transfer of personnel
35 shall occur. The timeframe shall be subject to
36 modification by the board of supervisors, as appropriate,
37 but in no event shall the timeframe exceed one year from
38 the effective date of transfer of governance from the
39 board of supervisors to the authority.

1 (B) A specified period of time during which county
2 employees impacted by the transfer of governance may
3 elect to be appointed to vacant county positions for which
4 they have tenure.

5 (C) A specified period of time during which county
6 employees impacted by the transfer of governance may
7 elect to be considered for reinstatement into county
8 positions for which they are qualified and eligible.

9 (s) This section shall not prohibit the authority from
10 determining its desired work force size, the number of
11 full-time equivalent positions, the job descriptions, and
12 the nature and extent of classified employment positions.

13 ~~101543. The department shall allocate any funds~~
14 ~~appropriated for the provision of health care services for~~
15 ~~Medi-Cal to recipients covered under the Medi-Cal~~
16 ~~program, and for indigent persons in Kern County, to the~~
17 ~~Kern County Hospital Authority.~~

